

## CHAPTER THREE

# PATH TO PROGRESS

"The Commonwealth Government had no control ... they were entirely in the hands of the states".

J.J. Dedman, Minister for Post-war Reconstruction, referring to the World War I scheme in *The Farmer was a Fighting Man*, 17 October 1949.<sup>1</sup>

Although many Australians felt a sense of foreboding concerning the enormous financial commitment required for soldier land settlement following World War I, there was never any doubt about the likely success of its implementation. An over-optimistic vision of Australia's path to progress by an ever increasing level of primary production, guaranteed its ultimate ratification.<sup>2</sup> The response of volunteers to the promise of land for ex-servicemen made the scheme politically irreversible for the Labor Government. Consequently, concerns about the inevitability of some settler failure and the possibility of spiralling costs for land and stock were ignored. Warnings by men who had experienced the difficulties of closer settlement first-hand were disregarded, and most politicians felt pressured and uneasy about the delays in settlement rather than by the problems which were bound to occur.

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<sup>1</sup> ML, Q.333 7615094/1.

<sup>2</sup> In 1918 the Gross Domestic Product figure for manufacturing was 63.6 million pounds, while pastoral activities, agriculture, dairying, forestry and fisheries combined was 154.1 million pounds. *Australians: Historical Statistics*, Vamplew, ed., p.133.

In addition, mass industrial unrest and the general strike of 1917 conclusively endorsed the concept that as many ex-soldiers as possible should be placed on farms as quickly as the states could arrange. Initially, the Commonwealth endeavoured to restrain the states. This was until national guidelines had been ratified. However, the South Australian Government rushed ahead with legislation, the Provision for the Settlement of Returned Soldiers on Crown Lands Act, 1915.<sup>3</sup> Victoria set aside 1,650 closer settlement blocks and New South Wales proposed the Murrumbidgee Irrigation Area for soldier settlement

This chapter outlines the difficulties experienced by the Commonwealth in taking overall responsibility for general repatriation and land settlement under the Australian Constitution, with its division of powers between the Commonwealth and the states. It sets these frustrations beside those of the states in their attempts to settle thousands of ex-servicemen without experience on the land, at minimum cost, and in a very short space of time. The argument is that the scheme's fundamental structural weakness, caused by lack of planning and policy together with the Commonwealth's substantial loss of control, led to its inevitable failure.

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<sup>3</sup> South Australia and Western Australia were enthusiastic as they had ample crown lands. South Australian legislation was assented to 23 December 1915, AA, A.2479 17/1050. However, Victoria was still smarting from the problems of closer settlement. New South Wales had been unsuccessful in attracting civilian settlers to irrigation blocks and therefore saw the settlement of the Murrumbidgee Irrigation Area as an opportunity not to be missed.

At the beginning of World War I the Commonwealth Government had constituted a bi-partisan Federal Parliamentary War Committee consisting of twelve members, six from each party, to monitor recruitment and the welfare of the men. The Committee appointed State War Councils in August 1915 which in turn created committees in each local government area.<sup>4</sup> State War Councils were responsible for maintaining a register of those who wished to settle on the land on their return.<sup>5</sup> Some were negligent when it came to the maintenance and distribution of patriotic funds and there were many complaints. Some Councils believed it was their duty to build up considerable sums of money in their bank accounts rather than act as facilitators for fund distribution to the settlers. The inevitable result was an undermining of their effectiveness and their efficiency.<sup>6</sup>

Any lack of efficiency on the part of the State War Councils was not replicated by the Federal Parliamentary War Committee. Former Prime Minister, J.C. Watson, volunteered his services as Honorary Organiser in August 1915 and, according to Lloyd and Rees, he contributed "intellectual sharpness" to the Committee.<sup>7</sup> The formidable nature of their task encouraged Commonwealth Parliamentarians temporarily to forget their party differences.

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<sup>4</sup> J.C. Watson, *Report on Returned Soldiers Employment and Settlement*, 17 September 1915, p.4. State Councils in each state contained two Federal members appointed by a Central Council, members of the State Parliament and representatives of municipal, commercial and industrial interests.

<sup>5</sup> H. LeLacheur, *War Service Land Settlement in South Australia*, MA thesis (Politics), University of Adelaide, 1958, p.6.

<sup>6</sup> *Ibid.*

<sup>7</sup> John Christian Watson, 1868-1941, became Labor Prime Minister in 1904 and resigned the same year due to ill health. Nevertheless, he wielded considerable power until 1907. He described himself as a 'state socialist' and was a strong advocate of a land tax to break up big estates. See *Australians: A Historical Dictionary*, Aplin, Foster & McKernan, ed., p.428; B. Nairn, 'Watson, John Christian', *Australian Dictionary of Biography*, Vol. 12, pp.400-5 and Lloyd & Rees, *op. cit.*, p.29.

**45 (a)**

**John Christian Watson**

Prime Minister of Australia 1904 and  
Federal Parliamentary War Committee,  
World War I

Photo by courtesy of the Public Affairs Division  
of the Department of Foreign Affairs and Trade



Therefore capable men were nominated on a bi-partisan basis. Watson appointed a sub-committee to make recommendations to the Parliament on the difficult question of soldier land settlement and his report became the working paper for the Conference of Representatives of the Commonwealth and State Governments and the Federal Parliamentary War Committee in Melbourne from 17-19 February 1916.<sup>8</sup> Delegates to this Conference were given a mere three days to consider the principles and implementation of an extremely complex scheme under the joint direction of both the Commonwealth and the States.<sup>9</sup> Many of the decisions were necessarily vague as the delegates battled with the conflicting interests of the Commonwealth and State.<sup>10</sup> For example, Resolution One of the February Conference declared that the "Governments of the Commonwealth should *co-operate* in the promotion of a scheme for the settlement of willing and suitable returned ex-servicemen upon the land".<sup>11</sup> As each state left the Conference with a differing view as to what level of co-operation was required, it is little wonder that anomalies emerged. The scheme sanctioned by the Conference contained an abundance of patriotic goodwill, yet it deliberately left many areas of detailed policy unspecified in order to gain state agreement. Nevertheless, it provided guidelines for state legislation on eligibility, the provision of loans, interest rates, the establishment of a Repatriation Fund and training. It left the finding of solutions on points of substance for the future.

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<sup>8</sup> *Report of the Conference of Representatives of the Commonwealth and State Governments and of the Federal Parliamentary War Committee*, Melbourne, 17-19 February 1916. The report of the sub-committee was headed by Watson, and had gained the approval of the full Federal Parliamentary War Committee and Federal Cabinet.

<sup>9</sup> Commonwealth delegates: Senator G.F. Pearce (Acting Prime Minister and Minister of Defence), W.G. Higgs (Treasurer); Federal Parliamentary War Committee: Senator E.D. Millen; W.A. Watt, MP; A. Ponson, MP and J.C. Watson. Each state was represented.

<sup>10</sup> 'Resolutions agreed to by the Conference: Settlement of Returned Soldiers on the Land', see my Appendix 2.

<sup>11</sup> My emphasis. Report of the Conference of Representatives 1916, *op. cit.*, p.57.



The principal problem to emerge was that of responsibility: "who had the prime responsibility for repatriation, the Commonwealth, the states, the community or all"?<sup>12</sup>

More importantly, who would absorb the risk for the failed ventures? The Commonwealth was adamant that land was state controlled and that state governments had experienced bureaucracies to deal with the land settlement of ex-servicemen.<sup>13</sup> Senator Edward David Millen argued at the Conference:

The Commonwealth felt it had no right to interfere with the land laws of the States. If the Commonwealth attempted to settle men on the land they would have their own land laws and might conflict with those of the States; and it was desired that there should be uniformity both in the terms of settlement and the machinery used.<sup>14</sup>

Watson endorsed his sentiments. With two authorities in control, he said, "they must fail to agree".<sup>15</sup> Yet many state delegates felt anxious concerning the responsibility of acting for the Commonwealth in the selection of the settlers, the acquisition of land and the allocation of finance. The Commonwealth was prepared to raise money for the project but was not willing to do the work nor accept the risk.

A common concern for the states was the way in which the inevitable losses were to be shared in a scheme liberal enough to attract settlers. The Conference resolved that the loss on the interest rate subsidy would be shared equally with interest rates set at 3 and one-half percent, increasing by half a percent each year until the current rate of interest was reached, plus the addition of expenses associated with the loan.<sup>16</sup> Resolution Nine clarified the position of the interest rate subsidy but left other losses to be dealt with by the use of Commonwealth-State "co-operation".

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<sup>12</sup> Lloyd & Rees, *op. cit.*, p.54.

<sup>13</sup> As an extension of their closer settlement policies.

<sup>14</sup> Report of 1916 Conference, *op. cit.*, p.15.

<sup>15</sup> *Ibid.*, p.13.

<sup>16</sup> Expenses associated with raising and managing the loan.

Until early 1918 there was a general unwillingness to consider realistic figures for settling soldiers on the land.<sup>17</sup> Policy makers either failed to grasp the magnitude of the proposed universal programme of land settlement, or else they refused to acknowledge that it was an extremely expensive method of securing re-employment. Prime Minister Hughes was en route to Britain to secure a 9 million pounds loan for soldier land settlement at the time of the 1916 Conference. When he reached his destination the projected figure had grown to 22 million pounds, and was rejected due to the stagnation of colonial securities. As outlined in Chapter Two, Hughes was confident that loans for land settlement would be negotiated if the Australian states incorporated British ex-servicemen into their land settlement legislation. Until the loan was secured it was suggested that funding for the establishment advance should be provided from the voluntary Repatriation Fund, originally proposed as a means of providing general assistance to settlers.<sup>18</sup> The New South Wales Minister for Lands was scathing in his remarks to the Conference: "did they think it wise to leave to charity what the Government should do for these people"?<sup>19</sup> Perhaps Watson was unwilling to add to the financial responsibilities of the Commonwealth when he overruled attitudes of concern from delegates, emphasising that the community had a duty to contribute to a worthy cause.<sup>20</sup> He believed that the fund could prove useful in the financing of interest rates, rehabilitation and vocational programmes. The Federal Parliamentary War Committee was determined to ratify a method of raising funds, and the sub-text to the Conference was that any inadequacies could be amended later.<sup>21</sup>

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<sup>17</sup> See my Appendix 3 which gives the 1916 Conference budget projections which proved to be inadequate.

<sup>18</sup> Until their farms came into production.

<sup>19</sup> Report of 1916 Conference, *op. cit.*, p.26.

<sup>20</sup> *Ibid.*

<sup>21</sup> *Ibid.*



Voluntary Repatriation Funds could never make a large contribution to the war effort. It was launched with generous donations of land from the Baillieu and Manifold families of Victoria and the Horderns of Sydney, while the Commonwealth demonstrated its support with a donation of 250,000 pounds.<sup>22</sup> But it was an organisational nightmare. The appeal was not restricted to land and cash. Anything remotely helpful to the settler was included, such as furniture and household equipment, farm machinery and stock. Amendments to the project were soon forthcoming. The Australian Soldiers' Repatriation Fund Act of May 1916 had appointed a Board of very able Trustees.<sup>23</sup> By early 1917 they were clamouring for a complete re-organisation. The voluntary scheme had become unwieldy in its administration, and each state made a different allocation of benefits.<sup>24</sup> With a united voice the Trustees called for the Commonwealth Government to undertake complete control of repatriation as the task was "bigger and more complex than envisaged originally".<sup>25</sup> The volunteers could cope with the task no longer. The Repatriation Fund closed in August 1917 and the Commonwealth assumed control of all repatriation matters with the exception of land settlement. The Australian Soldiers' Repatriation Bill of April 1918 appointed seven Honorary Commissioners and a staff of returned soldiers to administer the Repatriation Department with Senator E.D. Millen as Minister. Millen took on a huge challenge, not made any easier by the employment of inexperienced ex-soldiers in his office. "It will kill me, either politically or physically" he is quoted as saying when describing the mammoth task.<sup>26</sup> Furthermore, he claimed that his repatriation policies would lead the world.<sup>27</sup>

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<sup>22</sup> Lloyd & Rees, *op. cit.*, pp.49-51.

<sup>23</sup> The Trustees included some of the best known names in Australian business and public life: Arthur S. Baillieu, Sir Langdon Bonython, Samuel Hordern, E. Grayndler, Owen Morrice Williams, John J. Garvan, Denison Miller (Head of the Commonwealth Bank), Sir John Forrest, Sir William Irvine, Alexander Poynton, E.D. Millen, J. Page, J. Long and J.M. Hunter, Lloyd & Rees, *op. cit.*, p.57.

<sup>24</sup> E. Scott, *Australia During the War*, Sydney, 1936, p.831.

<sup>25</sup> *CPD*, Vol. 82, 18 July 1917, E.D. Millen, p.184.

<sup>26</sup> M. Rutledge, 'Millen, Edward Davis', Vol.10, *Australian Dictionary of Biography*, p.503.

<sup>27</sup> *CPD*, Vol.82, 18 July 1917, p.184.

Another reappraisal of Commonwealth policy concerned the notion of control. The 1916 Conference had endorsed the policy promoted by the Commonwealth that soldier land settlement should be the responsibility of the states as constitutionally land was under their jurisdiction. Following the Conference, delegates went home to prepare legislation, as LeLacheur says, "groping more or less haphazardly with the unforeseen problems".<sup>28</sup> The Commonwealth wrongly believed that the states would legislate in harmony along with the overall concept of the resolutions. However, marked differences emerged in advance payments and objects to which the advance could be used to purchase, who would be eligible for settlement, rates of interest and the initial period without instalments.<sup>29</sup>

A complete change of attitude by both Commonwealth and state governments had occurred in the twelve months to 1917. At the 1916 Conference the states felt aggrieved that they had to carry all the risk and responsibility. By January 1917 they were fighting to maintain what they had argued so strongly against. To Prime Minister Hughes the message was clear. It was essential to grasp some semblance of central control in order to ensure that the validity of the scheme was maintained. He saw land settlement as a Commonwealth matter and believed urgent action was necessary to gain some security for the Federal Government in a scheme where they provided funding but had little control over the settlement budget expenditure.<sup>30</sup>

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<sup>28</sup> LeLacheur, *op. cit.*, p.14.

<sup>29</sup> Statement *re* Conditions of Land Settlement submitted to the Conference of the Commonwealth and the State Premiers, 1917, see my Appendix 4.

<sup>30</sup> *Report of Conference between the Commonwealth and the States*, 1917, p.9.

The 1917 Conference decided to constitute a board known as the Soldiers' Settlement Board of Australia which would consist of one Minister from each state and a Commonwealth Minister.<sup>31</sup> The Board was set up as an advisory body with the aim of establishing a national standard.<sup>32</sup> Still, the differing capital outlay requirements of the states made uniformity an aspiration rather than an achievable goal. For instance, Queensland and Western Australia needed massive road and railway infrastructure before settlement lands could be allocated to the ex-servicemen.

The Board suffered continuing difficulties because of the resolve that unanimity in decision making was essential. There were too many layers of responsibility with no true central control. One delegate to the 1917 Conference uttered a prophetic statement concerning the future of the Board: "It will be costly, and will accomplish nothing".<sup>33</sup> This proved correct as conferences such as those held in 1916 and 1917 continued to provide the main theatre for discussion and planning, and the Board was soon abolished, having few achievements to its credit.

The states held a powerful position at the negotiating table and the question of the establishment advance was raised. It had been informally set at 500 pounds per farm by the 1916 Conference, although from the beginning, delegates expressed concern that the amount was inadequate to provide for clearing the land, building a house, improvements and items required for the successful cultivation of the land.<sup>34</sup>

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<sup>31</sup> *Ibid.*, p. xxv.

<sup>32</sup> *Ibid.*, p.19.

<sup>33</sup> *Ibid.*

<sup>34</sup> J. Gilbert, *Report: The Civil Re-establishment of the AIF, CPP*, Vol. IV, 1920-1, p.26.

United in voice, the states petitioned the Commonwealth in 1917 to increase the amount to 750 pounds. The Premier of New South Wales wrote to the Prime Minister in support of the Victorian representations for an increase in the advance.<sup>35</sup> In addition, he forwarded a document to the Deputy Comptroller, Department of Repatriation, giving details of what constituted an ideal farm at the estimated establishment cost of 750 pounds.<sup>36</sup> Hughes' reply to the Western Australian Premier that the financial assistance already proposed "was not ungenerous" clarified the Commonwealth's position to all states.<sup>37</sup> Nevertheless, the states did have a strong case for their claim. By 1918, when demobilisation was imminent, it was resolved to boost the advance to 625 pounds as working capital for the farmer plus 375 pounds for the prior resumption of private estates and works incidental to settlement. The Commonwealth remained resolute that 1,000 pounds per settler was the final figure it was prepared to offer.

Clearly, a scheme guided by a spirit of co-operation would place enormous tension on the two participants because it simply did not work efficiently. Under state administration the scheme grew in scale beyond the capacity of funding and supervision. The states embarked on settlement and then informed the Commonwealth that their budgets were overspent. As a result the Commonwealth did not increase the establishment advance to an adequate level and the scheme was reduced to farm quantity, rather than quality, land settlement.

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<sup>35</sup> Premier of New South Wales to the Prime Minister, 2 November 1917, AA, A.2485 A/18/C/34.

<sup>36</sup> Statement received by the Department of Repatriation, 28 July 1918, *ibid.*, see my Appendix No. 5.

<sup>37</sup> Prime Minister to the Premier, Western Australia, 26 September 1917, *ibid.*

But Commonwealth endorsement of the states' sovereign rights to land distribution was maintained. It provided a negotiating nightmare for officials as they wrestled with an affordable scheme which had some semblance of national uniformity. Senator Millen addressed the 1919 Conference with a warning that the Commonwealth could not be held to ransom:

It is impossible that Australia can continue indefinitely on its present lines of land settlement. The cost today per settler is so great that, although we have hitherto been able to provide holdings at the rate at which they have been applied for, we shall find the financial obligations mount up tremendously when the number of holdings required comes to be considerably multiplied.<sup>38</sup>

In May and June 1920 the states reported that applications had exceeded the quota in some states by as much as 100 percent.<sup>39</sup> To the end of June 1920, the amount advanced to the states by the Commonwealth in connection with land settlement was 11,235,716 pounds.<sup>40</sup> The number of settlers on farms in Australia at 30 June 1920, a mere four years after the 1916 Conference, was 17,411.<sup>41</sup> A total budget of 28 million pounds was envisaged in 1918 but the next year it was suggested that it might reach 74 million pounds. Little wonder that there was some alarm on the part of Senator Millen. By 1919 the Commonwealth realised that the future direction of settlement would involve the management of loss, and the scheme was maintained with nothing more than a grim determination to keep that to a minimum.

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<sup>38</sup> *NSWPP*, Vol. 1, 2nd Session 1922. Report of debates, Conference of Commonwealth and State Ministers, 1919, p.2.

<sup>39</sup> Report: 'The Civil Re-establishment of the AIF', *op. cit.*, p.26.

<sup>40</sup> *Ibid.*, p.27. New South Wales, 1,996,731 pounds; Victoria 5,750,371 pounds; Queensland, 728,084 pounds; South Australia, 614,058 pounds; Western Australia, 1,166,097 pounds and Tasmania, 980,375 pounds.

<sup>41</sup> *Ibid.*, New South Wales, 4,210; Victoria, 5,470; South Australia, 1,299; Western Australia, 3,009; Tasmania, 1,556 and Queensland, 1,867.

Many of the difficulties experienced in the establishment of soldier land settlement in Australia were due to the constitutional division of authority between the Commonwealth and the states. The Commonwealth was placed in the position of a provider of funding without any real control. The states legislated according to their own interests, and many variations on the 1916 recommendations resulted.<sup>41</sup> The scheme was based on a trial-and-error system of management. Initially there were too many layers of administration and the Commonwealth was placed in a subservient role. The Department of Repatriation was created because of failure on the part of the Repatriation Fund, rather than as part of the original concept. With clarity of vision from the outset, the Commonwealth might have eliminated many of the problems. However, the need for hasty action because of growing unemployment encouraged the states to settle most of the ex-servicemen who applied for land. Belief in agriculture and pastoralism as the path for future progress consumed any fears that the community might have put forward about the merits of universal land settlement. The World War I scheme provided valuable lessons for the Commonwealth and the state governments in future land settlement and its management. But it proved a costly lesson, both in financial terms, and for the Australians who, in due course walked away from their land with shattered dreams.

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<sup>41</sup> Resolution Seven, 1916 Report said that men who were "unsuited" should not be approved. However, this was frequently ignored so that application meant settlement.

## CHAPTER FOUR

### THE NEW SOUTH WALES EXPERIENCE 1916-22

"... the Government thinks that every returned soldier is going to make two 'spuds' grow where the ordinary cocky can make one ... It seems obsessed with the idea that the land and the country farm are the only ways in which the returned soldier can make a living".

*NSWPD*, 7 October 1919, P. Brookfield, Member for Sturt, p.1613.

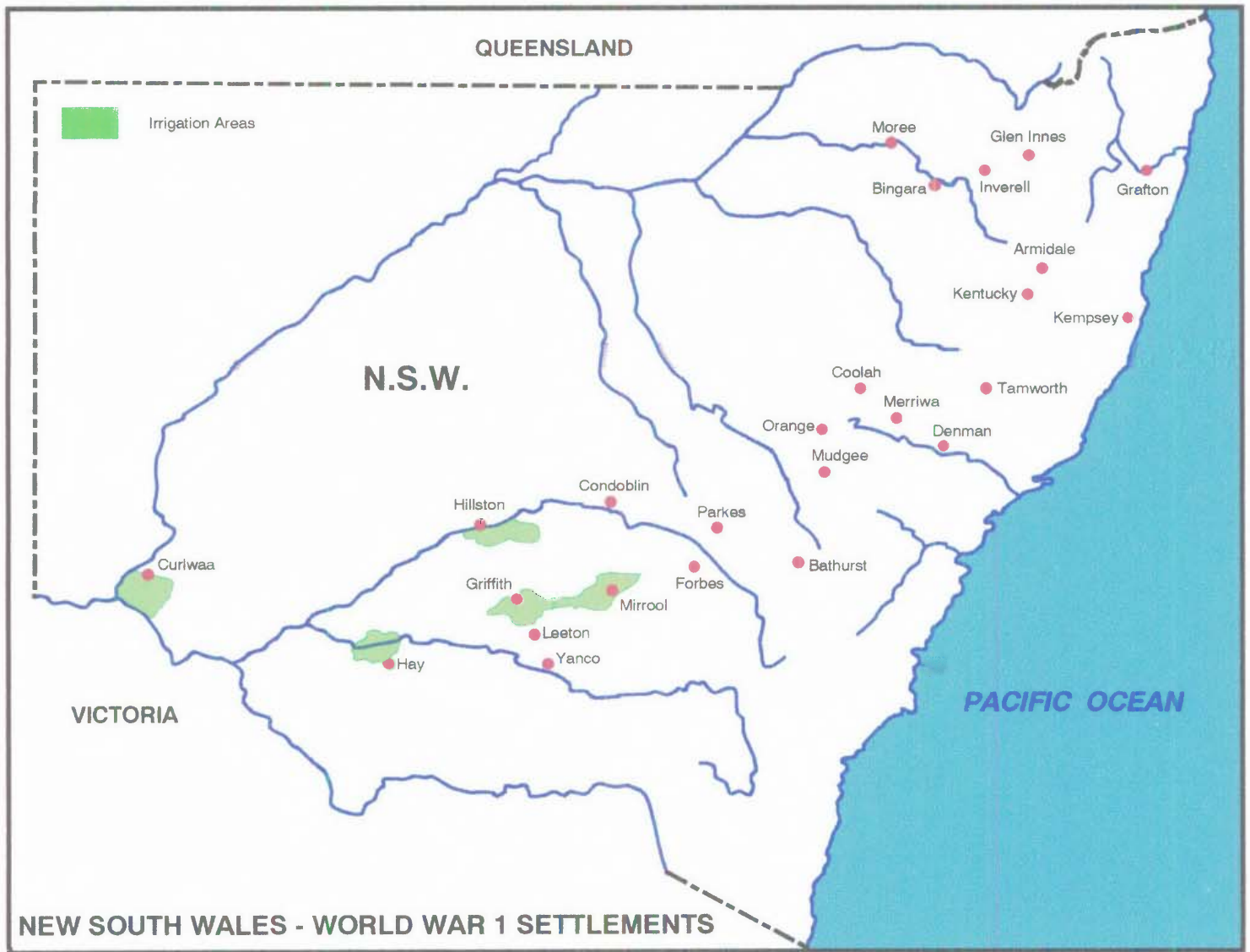
Following the 1916 Conference, individual state legislation was introduced so that the Commonwealth's land settlement programme could be implemented.<sup>1</sup> The complex nature of this legislation, and state variations to Conference recommendations, would make a full analysis tedious. Instead, the New South Wales scheme will be used here as an example, representative of the settlement opportunities offered to ex-servicemen throughout the country. In addition, New South Wales provides a model for the difficulties associated with the administration and implementation of land settlement policies.

Without doubt, the New South Wales (NSW) soldier land settlement scheme established after World War I resulted in economic, political and social failure for all to see. During twenty years the scheme required continual re-assessment so that even the settlers who remained on their farms did so only by means of a degree of public support. A factor which was a major contributor to escalating tension and the ultimate failure of settlement was the Commonwealth-NSW agreement which set the quota for ex-servicemen who should be settled on farms by December 1920 at 7,077.

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<sup>1</sup> With the exception of South Australia which had introduced legislation in 1915 in anticipation of a Commonwealth scheme.





This exerted excessive pressure on New South Wales to place too many men on the most suitable land as quickly as possible. By December 1918 only 1,069 soldiers had been settled, leaving 6,008 to be placed in just two years.<sup>2</sup> Despite fears concerning the Government's ability to provide farms for soldiers, the demand for settlement was at double the expected rate, and the quota was quickly increased to 8,405 farms by 30 June 1921.<sup>3</sup> Drawing on his experience of closer settlement before the war, the New South Wales Minister for Lands, W.G. Ashford, warned of the daunting task facing the government as "during the last ten years no government has been successful in placing more than 2,000 new settlers each year on the land".<sup>4</sup> Nevertheless, state rivalry fostered competition in the numbers game. Little wonder that state planners were swept away with the need to get imposing figures into the annual report so as to demonstrate their efficiency and progressiveness. As discussed in Chapter Three, the original concept of land for suitable applicants with farming experience was soon amended in order to make the scheme accommodate all those who nurtured the desire.

Two types of tenure were made available under the New South Wales Returned Soldiers' Settlement Act of 1916, and the amending legislation of 1917 and 1919, which provided for the occupation of land by any Australian discharged soldier or sailor who served in the war and who was classified as eligible.<sup>5</sup>

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<sup>2</sup> *NSWPP*, Vol.1, 2nd Session, 1920, *Annual Report: Returned Soldiers' Settlement Branch*, year ended 30 June 1919, p.44.

<sup>3</sup> *Annual Report: Returned Soldiers' Settlement Branch*, year ended 30 June 1921, p.47.

<sup>4</sup> *NSWPD*, 20 March 1916, p.5490.

<sup>5</sup> Airmen were ignored in World War I settlement documents although it is assumed that they were deemed eligible. Mostly documents refer to soldiers and occasionally they specify sailors as well. For example, when publishing a statement on the Conditions of Land Settlement a note was usually included at the bottom of the page to say that "Soldiers in every instance includes sailors". *Report: Premiers Conference*, 1917, p.xxii. A classification committee of three persons was required to approve a qualification certificate. See Returned Soldiers Settlement Act, 1916, sub-section 4 (5) and (7).

The *New South Wales Official Year Book* 1922 describes the classifications as:

(a) Ordinary Tenure which allowed the Minister to set apart Crown land or land acquired under the Closer Settlement Acts to be disposed of exclusively to discharged soldiers.

(b) Special Holdings where the Minister could set apart Crown land acquired under the Closer Settlement Acts or the Murrumbidgee Irrigation Act to be disposed of by sale or lease on the conditions advertised in the *Gazette* notification setting the land apart.<sup>6</sup>

The majority of settlers were settled under Group Purchase or Settlement Purchases tenure.<sup>7</sup> Group settlement appeared to have many advantages. Not only was it in keeping with the accepted trend that a man and his family could not farm a large acreage without the employment of labour, but it also provided supervision for the inexperienced ex-servicemen.<sup>8</sup> Undertakings such as poultry raising, bee keeping, pig farming, market gardening and dairying were recommended.<sup>9</sup>

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<sup>6</sup> *New South Wales Official Year Book*, 1922, pp.725-7.

<sup>7</sup> For a full list of tenures, see my Appendix 6.

<sup>8</sup> In vogue in Britain and promoted by visiting experts such as Sir Rider Haggard and writer Christopher Turnor, *Land Settlement for Ex-Service Men in the Oversea Dominions*, London, 1920, p.6. "... the settler's economic position would be far sounder if he were to concentrate his capital upon a smaller area".

<sup>9</sup> Letter to Senator Millen from G.H. Knibbs, Federal Statistician, AA, A.2479 17/1023/3.

TABLE 4.1

## ESTIMATES OF NUMBERS OF EX-SERVICEMEN WHO COULD BE ACCOMMODATED IN SMALL RURAL INDUSTRIES

	1919	1920
Poultry (Sydney and Newcastle)	350	-
Hog Raising (North Coast)	250	-
Prune growing (Albury, Young, Gilgandra)	250	-
Viticulture (Hunter Valley and Corovva)	200	-
Market Gardening	150	1,000
Tropical Fruit (North Coast)	250	-
Other Orchards	100	-
<u>Total:</u>	1,550	1,000

Source: Returned Soldiers' Settlement Branch Report, 1919, p.44.

The settlement of soldiers in groups on extremely small acreages by today's standards was particularly favoured by the Department of Lands. Many of the farms allocated were assessed under optimum conditions and they failed to live up to their home maintenance declarations when the extreme drought conditions of the early 1920s hit New South Wales.<sup>10</sup> Another consideration favouring groups was the fact that shared facilities could be installed for the universal benefit of settlers. An example was the fruit growing settlement at Kentucky near Armidale in northern New South Wales. Here a cool store and a co-operative selling outlet were set up with the aim of providing a measure of grower control and self-help. But many of the settlers lacked management skills and they entered a competitive export market.

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<sup>10</sup> Home maintenance was the optimum size a farm should be in order to provide a living for the family on that farm, equal to his neighbour on the group settlement.

Settlement Purchases tenure was introduced by the 1917 Amendment Act, and provided that "one or more discharged soldiers might purchase privately owned land upon terms approved by the Minister".<sup>11</sup> A proviso for this method of occupation was that it created additional farms by way of sub-division. In this case the Crown would raise the total purchase money up to a maximum of 3,000 pounds and, in special cases where the agricultural pursuit was grazing, it could be increased to 4,000 pounds.

The loans for the purchase of a farm plus the establishment advance were described by the Minister for Lands in his 1919 publication *Land for Soldiers* as a very easy procedure.

The terms of repayment of moneys advanced for this purpose and of payment for the land, are upon a long deferred system, the instalments being calculated upon an interest basis so moderate that they should be *easily met* by each settler.<sup>12</sup>

The reality was very different. The Minister's "long deferred" scheme provided only one year for the repayment of loans on seeds and plants, six years for stock and implements and 25 years for the house, buildings and other improvements.<sup>13</sup>

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<sup>11</sup> *New South Wales Official Year Book*, 1922, pp.725-7.

<sup>12</sup> W.G. Ashford, *Land for Soldiers*, pamphlet, Government Printer, 1919, introductory notes. My emphasis.

<sup>13</sup> Other states had different periods of repayment. Victorians were given only 20 years; South Australia 42 years; Queensland 40 years, Western Australia 25 years with interest only for the first 5 years; Tasmania, according to the regulations under the Act.

*Report: Premiers Conference*, 1917, p.xxi.

Many settlers required money for food and living expenses until their farms came into production. The Commonwealth Department of Repatriation, on the recommendation of the Director of Soldiers' Settlements, could allocate up to six months of sustenance in the first two years of occupation if no other income was forthcoming. This would be provided as a gift. However, sustenance payable by the State Returned Soldiers' Settlement Branch for group settlements was not a gift, and was a first charge against the sales of all produce on the farm. Any balance owing was to be repaid in five equal annual instalments at 5 and one-half percent interest.

Settlers found that their debt grew rapidly when they had to pay back their sustenance during a non-productive period. Fruit growing group settlements were particularly hard hit due to the length of time the trees took to mature. Kentucky settlers were encouraged to supplement sustenance by growing vegetables between the rows of fruit trees which were not expected to bear for six to seven years after planting. This was often difficult, and a complete failure of the settlers' vegetable crops in 1923 due to harsh winter conditions, must have provided a bitter lesson for the men. In 1920 it was accepted that the continual payment of sustenance would not help the viability of settlers in the long term, and it was discontinued on a number of fruit growing settlements. Instead a payment for work on the farms commenced.

**60 (a)**

**Top to bottom**

**"Dalveen", Kentucky Group Settlement**

Home of William Hubert Haynes, the original settler  
c. late 1960s

**Fruit Packing Shed on "Dalveen"**

c. 1938





Encouragement given to growers to work was, therefore, a desperate measure to rescue settlers from poverty rather than an innovative remedy for a shortage of money. Moreover, the small amount of work available and their commitment to vegetable growing meant that further measures were required. This came in the form of a transfer of the sustenance debt to the capital debt, therefore extending the repayment period.

Although settlement in New South Wales developed obvious problems soon after it commenced, a degree of optimism did remain. The Director of Soldiers' Settlement endeavoured to bolster enthusiasm by claiming in his 1919 Annual Report that "the outlook at present certainly gives promise of successful settlement".<sup>14</sup> The State Member for the city electorate of Canterbury, G. Cann, was not so easily convinced. Settlers have endured two years of "heart breaking conditions owing to the drought", he told Parliament in late October 1919.<sup>15</sup>

The drought had a devastating influence so early into their farming activities. The Baerami Soldiers' Settlement near Denman in the Hunter Valley, set aside for dairying, was described as having had "a very trying time" on their farms.<sup>16</sup> Similarly, Collaroy settlers near Cassilis in the Upper Hunter were told by farmers that the present drought was "the worst ever experienced in the district".<sup>17</sup>

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<sup>14</sup> *Returned Soldiers' Settlement Branch Annual Report, 1919*, p.45.

<sup>15</sup> *NSWPD*, 28 October 1919, p.2138.

<sup>16</sup> *Annual Report 1919, op. cit.*, p.58

<sup>17</sup> *Ibid.*

The savage seasons which greeted settlers in New South Wales certainly contributed to a swift escalation of debt. But even without this setback, many would have struggled as the estimates for a living area made no allowance for bad weather and adverse prices. The Royal Commissioner into the Fruit Industry of New South Wales in 1939 claimed, with the benefit of hindsight, that it was impossible for even an efficient settler at Kentucky "with no setbacks from twenty two years" to liquidate his debt in the life of his orchard.<sup>18</sup>

Surprisingly, the harsh experiences of the early settlers did not deter ex-servicemen from seeking a block, and enquiries were maintained at a high level.<sup>19</sup> In order to meet the demands of the steady stream of applicants, the Branch resorted to the resumption of long term leases and the acquisition of private land. Negotiations were entered into with vendors, valuations were obtained from district surveyors, and local repatriation committees were asked to approve each acquisition.<sup>20</sup> Large landholders were encouraged to "sacrifice" their land on the grounds that they represented the privileged class.<sup>21</sup> The 1915 debate about a super tax on land not in production helped sway some owners to offer portions of their land for the soldiers. But it was the escalating price of land which provided the real incentive for the land owner to offer a portion of his holding to the government.

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<sup>18</sup> *Royal Commission of Inquiry into the Fruit Industry of New South Wales*, p.50, cited in M.J.U. O'Sullivan, *A New South Wales Land Settlement Study: Kentucky Soldier Settlement 1917-1976*, B. Litt. thesis, UNE, 1976, p.77.

<sup>19</sup> In the financial year to June 1921, 790 applications were received, hundreds of letters requesting information and 300-400 persons interviewed each week by Branch officers. *Returned Soldiers' Settlement Branch Annual Report, 1921*, p.47.

<sup>20</sup> The procedure was amended as land acquired under the Closer Settlement Acts required Parliamentary approval for each purchase and this took too long for the smooth running of the scheme.

<sup>21</sup> Extract from *The Soldier*, 3 August 1917, p.5, AA, A.2479 17/998/1.

It took a large capital investment to support the settlers. At 30 June 1921 the total commitment for soldier settlement in New South Wales was 13,407,290 pounds. This sum was made up of 7,751,126 pounds spent on resumptions inclusive of 909 cases under the Closer Settlement Promotion Act not finalised; 3,494,464 pounds spent on advances and 2,161,800 pounds spent on public works such as railways and irrigation works in support of soldier settlement.<sup>22</sup> Obviously many of the settlement farms were over-capitalised owing to rising land prices and increases in the cost of all farm requirements including stock, equipment and farm items. In addition, they were expected to absorb interest rates at a higher level than those paid by their Closer Settlement neighbours.

Some relief was given with the 1919 legislation setting up an Appraisement Board which allowed the soldiers to apply for a revaluation. Settlers were keen to take up this opportunity and, by mid 1925, 655 applicants from group or settlement purchases from all over the state had registered. But the wheels of bureaucracy were slow. On 30 June 1925 only 110 cases had been re-appraised, leaving 481 outstanding applications.<sup>23</sup>

By 1922 the problems experienced by many settlers could be ignored no longer, and a Select Committee of the New South Wales Legislative Assembly was appointed to enquire into the administration and conditions of land settlement for ex-servicemen. A Progress Report tabled in November 1922 clarified the deteriorating position of many settlers, particularly those involved in the production of poultry.

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<sup>22</sup> Annual Report 1921, *op. cit.*, p.47.

<sup>23</sup> *Department of Lands Annual Report*, 1915, p.8.

The position of these men is most unsatisfactory and growing steadily worse. The indebtedness of many of them is increasing every week and will continue to do so while present conditions prevail. They feel that they have no hope of ever being able to meet their repayments and consequently are losing the incentive to effort.<sup>24</sup>

This description differs markedly from a comment by the Director of Soldiers' Settlements in June 1921 that "steady progress has been made on the poultry-farming settlements".<sup>25</sup> Continual under-estimation of the hens required to produce a living as well as to repay the debt caused settlers in this industry great hardship and stress. By 1925 even the Director of Soldiers' Settlement Branch was anxious, as his guarded comment reveals: "if settlers were to continue in occupation of their holdings with any hope of success, relief would have to be afforded".<sup>26</sup> Legislation that year offered interest payment relief to settlers on acquired lands with arrears owing at 1 December 1923 if they had managed to remain on their land. The debt could be repaid in ten equal annual instalments, with no interest charged providing the payments were made promptly. Arrears on advances were treated likewise when a scheme was introduced in April 1923 whereby settlers could extend their terms of repayment for stock or plant which previously had to be paid over six years.<sup>27</sup>

When assessing the problems of settlement, it is a surprise that the surrender rate was not higher. By mid 1924 8,819 returned soldiers had been settled on the land with 1,747 of them having transferred, or surrendered their farms.<sup>28</sup>

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<sup>24</sup> *Progress Report, Select Committee of the Legislative Assembly to Inquire into and Report upon the Administration, of, and Conditions attaching to, soldier settlement ...*, 14 November 1922, p.iii.

<sup>25</sup> Settlement Branch Annual Report 1921, *op. cit.*, p.49.

<sup>26</sup> Department of Lands Annual Report 1925, *op. cit.*, p.6.

<sup>27</sup> *Ibid.*, p.7.

<sup>28</sup> *New South Wales Official Year Book*, 1924, p.779.

Undoubtedly, without re-assessment, interest rate concessions, amalgamations and a deprived standard of living on the farm the figure would have multiplied considerably.

Deficiencies in the scheme were exacerbated by the need for settlement figures to meet the unrealistic quota set for New South Wales. The scheme was stretched to accommodate the demands of those who applied for land, and the blocks became even smaller. With high interest rates and inflated prices for land, stock and equipment, the individual's capital debt soared. Sustainment payments only added to this burden. As a result the settlers endured great hardship and the experiment caused anxiety for state and federal governments.

An even greater disappointment was the problem of maladministration in New South Wales. Initially soldier land settlement was undertaken by the Department of Lands and also by the Water Conservation and Irrigation Commission in the case of holdings within an irrigation area. However, it soon became clear that the task was quite beyond the existing structure of the Department of Lands, and a Returned Soldiers' Settlement Branch was established in November 1916.<sup>29</sup> Presumably in an effort to promote efficiency and in an attempt to expedite the process of settlement, the Minister for Lands, W.G. Ashford, established this Branch without reference to the Public Service Board. The result was an autonomous Branch within the Department of Lands which could ignore the direction of the Under-Secretary of Lands and was directly responsible to the Minister. Ashford selected John George Robinson Bryant for the position of Director of the Settlement Branch.

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<sup>29</sup> Settlement Branch Annual Report 1919, *op. cit.*, p.49.

In the preliminary report of the Royal Commission of Inquiry into the Administration of the Returned Soldiers' Settlement Branch of the Department of Lands 1921, evidence from Mr Hare, Under-Secretary of the Department, claimed that Ashford's motivation for this appointment must have been that he wanted "a sort of smart man who would be able to make a show of doing this well".<sup>30</sup> Certainly, Bryant was totally inexperienced for the role. His previous position was Assistant Fruit Expert for the Department of Agriculture "and the whole of his experience as a public servant had been in connection with orchards".<sup>31</sup> The Commissioner believed that Ashford may have acted with honourable intent in relation to Bryant's appointment, but evidence indicated that there was "possible suspicion".<sup>32</sup> Nevertheless, a man totally without administrative experience was a very poor choice for such a difficult task.

In the space of four years the reputation of the Branch was badly compromised. Soldier settlers were complaining of poor workmanship in the construction work on their farms, the use of inferior products, the excessive cost of buildings and land preparation and of excessive delay when dealing with the Department.<sup>33</sup> Claims of exploitation, corruption and a lack of confidence in the Director of the Branch, and suggestions of immoral conduct on the part of the Minister as well, culminated in Royal Commissions in an endeavour to remove the shroud of deceit which reduced public confidence in the Labor government.<sup>34</sup>

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<sup>30</sup> Royal Commission of Inquiry into the Administration of the Branch, *op. cit.*, p.ix.

<sup>31</sup> *Ibid.*, p.vii.

<sup>32</sup> *Ibid.*, p.ix.

<sup>33</sup> *Ibid.*, p.iii.

<sup>34</sup> *Ibid.*, p.vii, and Royal Commission of Inquiry into the Question of Suggestion of Immoral Conduct on the Part of W.C. Ashford, M.L.A., whilst Minister for Lands, July 1921, P.W. Street, Commissioner, 1921.



The two men given the responsibility for the scheme were certainly an embarrassment to the State Labor Government. Public attention was initially focused on the Minister when the property "Rosewood" was acquired at an exorbitant price and was "unsuitable for the [agricultural] purposes for which it was bought".<sup>35</sup> There were other claims against Ashford's character which indicated that he was motivated by political gain rather than by public interest. For instance, it was alleged that he acted improperly in approving purchases at Grantham, Quirindi, the butter factory at Oban and the Raymond Terrace Pig Depot. He breached public trust with his approval of the erection of the Kentucky Cool Store.<sup>36</sup> Bryant was accused of conspiring to defraud the government of certain sums of money, improper conduct with regard to the erection and supervision of the homes on group settlements and therefore both Ashford and Bryant "were guilty of gross negligence and breaches of public trust".<sup>37</sup>

Increasingly the public and the press wanted answers to allegations of corruption and mismanagement. A departmental committee was set up to investigate and report on the administration and expenditure of the Branch in May 1920 in an effort to clear the Branch of the alleged wrongdoing. Simultaneously the Public Service Board began an inquiry in response to claims made by three men in the *Smith's Weekly* newspaper of 5 June 1920.<sup>38</sup> The investigations were discontinued with the appointment of the Street Royal Commission in 1920-1.

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<sup>35</sup> Report into the Administration of the Branch, *ibid.*, p.ii.

<sup>36</sup> *Ibid.*, p.iv.

<sup>37</sup> *Ibid.*, p.v.

<sup>38</sup> *Ibid.*, p.ii.

So numerous were the areas of enquiry in the terms of reference that Commissioner Street asked to be relieved of some of the tasks initially allocated, restricting his enquiry to matters "involving charges either of actual dishonesty or political corruption or of negligence, or breach of duty of so serious a character as to amount to positive wrong-doing".<sup>39</sup>

The first charge against Ashford was that he used his position to deliberately remove the Settlement Branch from the control of the Under-Secretary of Lands. Ashford had claimed in November 1916 that he wished the Branch to be "self-contained" and in order to achieve this he created a special Accounts Section to deal with Branch work.<sup>40</sup> The second charge was that Bryant had been appointed as the first Director without consultation with the Public Service Board and that his qualifications for holding such a responsible position were inadequate. Although Ashford was given the benefit of the doubt on these charges on the grounds that he did not deliberately attempt to act improperly, it was stated that "he placed an unwise degree of confidence in Bryant, and I think there was probably a degree of intimacy between them".<sup>41</sup> The relationship alluded to concerned the friendship of Bryant's mistress and Ashford's lady friend, a Miss Gladys Devereaux. It was alleged that the Minister, a married man with four children, "co-operated with Bryant in the course of a matrimonial infidelity" with Miss Devereaux. She was frequently entertained in his Parliamentary rooms, taken to the theatre, driven in the ministerial car on social functions to the Blue Mountains, found a job and "loaned" money. Bryant, described by Commissioner Street as "a dishonest and unscrupulous person ... a low and cunning type to whom a lie ... is probably neither here nor there", supported Ashford in many of his arrangements and meetings with Miss Devereaux.<sup>42</sup>

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<sup>39</sup> *Ibid.*, p.iii.

<sup>40</sup> Report of Returned Soldiers' Settlement Branch 1919, *op. cit.*, p.48.

<sup>41</sup> Royal Commission, Preliminary Report into the Administration of the Department, *op. cit.*, p.cxvi.

<sup>42</sup> Royal Commission of Inquiry into the Immoral Conduct of Ashford, *op. cit.*, p.6.

Street summarised the relationship between Bryant and Ashford in his findings: "Bryant acquired an improper ascendancy over him [Ashford] and used it improperly".<sup>43</sup>

It was ironic that Ashford's political career should end in such circumstances. Quite obviously he enjoyed the power and kudos of ministerial office, and he desperately wanted the Returned Soldiers' Settlement Branch to reflect his masterful leadership in order to gain votes. Yet, through illicit dealings and his attentions to Gladys Devereaux, he became powerless to Bryant's manipulation. His parliamentary career was finalised in July 1922 when his election qualification was declared invalid. According to the New South Wales Parliamentary Library this was the method used to remove Ashford who had become a political liability.<sup>44</sup>

A unique bureaucratic structure without Public Service control had been sanctioned by the Minister because of the burgeoning number of applicants to be accommodated on farms. Perhaps with experienced and honest personnel, such independence could have been a tremendous asset. But the Branch was ill-prepared for the huge numbers of men to be settled in a short space of time.

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<sup>43</sup> *Ibid.*, p.9.

<sup>44</sup> His career spanned from 1910 to 1922. Initially he was the Member for Upper Hunter but from 1911 he represented Liverpool Plains. During his period in Parliament he was Minister for Agriculture, Lands and Forests. H. Radi, P. Spearitt and E Hinton, ed., *Biographical Register of the New South Wales Parliament 1901-1970*, Canberra, 1979.

It was a task which encompassed choosing the settlers, acquiring and preparing the land, providing the finance, maintaining an advisory service, purchasing government owned stock, training and co-operative marketing. It was doomed to failure following the appointment of Minister Ashford's unworthy colleague and confidant as Director.

In New South Wales between 1916 and 1922 the settlers experienced problems which were common to all states such as high interest rates, drought and a growing personal debt. The implementation of the scheme was achieved with undue haste due to the quotas imposed by the Commonwealth, and state rivalry which encouraged New South Wales to approve far too many ex-servicemen for settlement. Almost as damaging to public confidence in the establishment years, was the political ambition and personal weaknesses of Ashford. He allowed himself to be manipulated by John Bryant and became caught in a web of intrigue which was of his own making. An over-zealous administration was flawed by the impropriety of its first incumbents. Problems in other states will be discussed in the next chapter.